

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT			1. Contract Number		Page of Pages		
					1	6	
2. Amendment/Modification Number DCAE-2004-R-0014-0002		3. Effective Date See 16C Below		4. Requisition/Purchase Request No.		5. Solicitation Caption Disability Compensation Program – Third Party Administration Services	
6. Issued by: Office of Contracting and Procurement Human Care Services Group 441 4 th Street, NW, Suite 700S Washington, DC 20001			Code		7. Administered by (If other than line 6) Office of Risk Management 441 4 th Street, NW, Suite 800S Washington, DC 20001		
8. Name and Address of Contractor (No. street, city, county, state and zip code) Code Facility				X		9A. Amendment of Solicitation No. DCAE-2004-R-0014	
						9B. Dated (See Item 11) August 30, 2004	
						10A. Modification of Contract/Order No.	
						10B. Dated (See Item 13)	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input checked="" type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ 1 _____ copies of the amendment: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting and Appropriation Data (If Required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14							
A. This change order is issued pursuant to (Specify Authority): The changes set forth in Item 14 are made in the contract/order no. in item 10A.							
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data etc.) set forth in item 14, pursuant to the authority of 27 DCMR, Chapter 36, Section 3601.2.							
C. This supplemental agreement is entered into pursuant to authority of:							
D. Other (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.							
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.) Solicitation DCAE-2004-R-0014 is amended as detailed on Pages 2–6. The closing date has been extended to 10:00 am on October 7, 2004.							
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.							
15A. Name and Title of Signer (Type or print)				16A. Name of Contracting Officer Janice Watson			
15B. Name of Contractor		15C. Date Signed		16B. District of Columbia		16C. Date Signed 9/24/04	
(Signature of person authorized to sign)				(Signature of Contracting Officer)			

SOLICITATION: DCAE-2004-R-0014

AMENDMENT: 0002

Page 2 of 6

- A. The last sentence of Section B.1.1 is deleted and replaced as follows:

“As of August 2004, the current caseload of the DCP is 1,498 Lost Time claims and 469 Medical Only claims. These numbers do not include cases covered under the Police and Firefighters Disability Program for uniformed police, firefighters and Emergency Medical Services personnel.”

- B. Section B.1.2.1 is revised to read as follows:

“Should the District select an Offeror’s On-Site proposal, the District will provide the workspace, the Risk Management Information System (RiskMaster for Computer Sciences Corporation), personal computers with related hardware, telecommunications access, and will bear all reasonably necessary utility costs. The DCORM Claims Bureau has currently identified up to seven (7) workstations for claims adjusters and separate workspace for directly related support staff and supervisory staff. The number of workstations should not be construed as the minimum or maximum number of adjusters required for this solicitation. The Offeror in its On-Site proposal must identify, with supporting details such as organization charts and equipment lists, the physical and logistical requirements to effectively meet the on-site requirements for claims adjusting.”

- C. Section B.1.5 is revised to add the following sentence:

“The price for operating the District’s Self-Insured Worker’s Compensation Program (CLINs 0002, 0002A, 0102, 0102A, 0202, 0202A) shall include all direct and indirect costs associated with meeting the requirements outlined in Sections C.5.3 through C.6.”

- D. The section reference in Section B.3.3.1 is corrected to read (IDFDB per C.3.13).

- E. The location reference in Section C.2 for Item Nos, 1 and 2, D.C. Laws is corrected to read “<http://dccode.westgroup.com>.”

- F. The location reference in Section C.2 for Item No. 3, List of Agencies and Number of Employees is corrected to read “ Attachment J.9”.

- G. The attachment reference in Section C.3.7 is corrected to read as follows:

“(See Attachment J.10 for Contractor’s Performance Evaluation Report to be used in determining performance-based incentives or disincentives earned by the Contractor)”.

- H. Section C.4.6, Employees Covered Under the DCP is added as follows:

C.4.6 Employees Covered Under the DCP

The DCP covers District union and nonunion employees and non-uniformed employees of police, fire and EMS agencies. It does not currently cover uniformed Police, Firefighters and Emergency Medical Services personnel. If during the term of this contract, statutory changes are made to include the aforementioned uniformed personnel under the DCP, the Contractor shall be responsible for providing TPA services and related services for this group.

- I. Section C.5.2.1.5 is added as follows:

“If the Off-Site proposal is selected, the Contractor shall establish or maintain an office in the District to service claimants.”

- J. The last sentence of Section C.5.3.1 is revised to read as follows:

“The Contractor shall not be required to perform the following services on-site, but at the Contractor’s off-site location:”

SOLICITATION: DCAE-2004-R-0014

AMENDMENT: 0002

Page 3 of 6

- K. In the first sentence of Section C.5.3.2, the phrase “set forth in Section B.12” is corrected to read “set forth in Section B.1.2”.
- L. The following sentence is added to the end of Section C.5.4.1:
“ Case Files shall be created and assigned on the same day as received.”
- M. The following sentence is added to the end of Section C.5.4.3:
“Contractor shall contact interested parties, obtain statements and document the case file for all reopened claims within two business days of reopening of the claim file.”
- N. Section C.5.4.4 is revised to read as follows:
“Contractor shall ensure that three-point 24-hour contact is completed on each new lost time claim or that reasonable attempts to complete the three-point 24-hour requirement is evidenced and documented in each file. Reasonable attempts shall mean three or more spaced telephone calls on the day of assignment and the day after. Unsuccessful attempts to contact the parties by phone shall be followed by a letter to that party advising that the adjuster must speak to the party. Efforts of attempt to contact all three parties must be included in the claim file notes. If after 14 calendar days of the initial attempt to complete the three-point contact, contact is not made, the Contractor shall send a notice of determination to the claimant controverting the claim. Three-point contact includes, but is not limited to, the requirements of C.5.4.4.1 through C.5.4.4.3 listed herein.”
- O. The references to the Central Index Bureau in Sections C.5.4.9 and C.5.4.10 are corrected to read ISO American Services Insurance Group (ISO).
- P. Section C.5.4.10 is revised to read as follows:
“Contractor shall research past claims information and document all ISO reports, including former claims, if any, and injuries reported from those claims in the case file.”
- Q. The first sentence of Section C.5.4.11 is deleted.
- R. Section C.5.5.2 is revised to read as follows:
“Contractor shall approve compensation pay to the claimant within fourteen (14) days after an authorized NOD 1 or NOD 2 compensability decision is rendered by the Contractor and the Continuation of Pay (Cop) period has expired.”
- S. Section C.5.5.3 is renumbered to read C.5.5.4. The following requirement is added and is hereby numbered C.5.5.3.
“Contractor shall process all wage benefits and issue payments within five calendar days of benefits due after Continuation of Pay (COP) period ends.”
- T. The word “disability” is added after the words “temporary total” and the acronym is corrected to read “(TTD)” in Section C.5.7.1.
- U. Section C.5.7.2 is revised to read as follows:
“The Contractor shall determine when activity checks and surveillance are required. The Contractor shall notify the COTR of activity checks and surveillance reports initiated and completed; and shall discuss them with the Contractor’s designated claim personnel when.”
- V. The following prefatory language is added to the beginning of Section C.5.7.3.2: “ When surveillance is conducted,”.

SOLICITATION: DCAE-2004-R-0014

AMENDMENT: 0002

Page 4 of 6

W. Section C.5.8.1 is revised to read as follows:

“ The Contractor shall establish and maintain a panel of local preferred physicians, specialists, clinic and hospitals (orthopedic, neurology) for the DCROM’s Disability Compensation Program (DCP) based on the District’s population and type of claims.”

X. The last sentence is Section C.5.8.2. is revised to read as follows:

“To the maximum extent possible, Contractor shall include providers within a PPO to accommodate the District’s 100 out-of-area benefit recipients.”

Y. Section C.5.8.3 is revised to read as follows:

“The Contractor shall expand, as the Contractor deems necessary or at the District’s request, during the contract term, its network with providers to meet the District’s requirements.”

Z. The phrase “on the Contractor’s website with” is added after the word “Directory” in Section C.5.8.4.

AA. Section C.5.8.6 is revised to read as follows:

“Contractor shall arrange and control in-network, out-of-network and out-of-area medical management services to include but not limited to prospective utilization approval and case management.”

BB. Section C.5.8.7 is added as follows:

“Contractor shall document in the file the evaluation of the quality and appropriateness of the medical treatment”.

CC. Section C.5.8.8 is added as follows:

“Contractor shall verify ongoing disability with supporting medical documentation.”

DD. Section C.5.9.1 is revised to read as follows:

“The Contractor shall assign a Nurse Case Manager (NCM) to all cases where lost time will exceed two weeks.”

EE. Section C.5.9.3 is revised to read as follows:

“Contractor shall ensure that NCM is involved in medical coordination and determination of medical necessity and denial of medical care based on the appropriateness of medical services with required tracking and follow up. NCM shall be assigned on all cases where the injured worker does not return to work within the estimated length of disability for the injury or illness sustained.”

FF. The word “be” is replaced with “are” in Section C.5.9.4.

GG. Section C.5.9.6 is revised to read as follows:

“Contractor shall ensure that the NCM and the claims adjuster document the case files notes electronically. NCM’s shall document file notes for all cases on a monthly basis.”

HH. Section C.5.11.1.1 is revised to read as follows:

“Diagnosis does not match claim, proposed disability duration is significantly longer than guidelines, and treatment does not match diagnosis;”

II. The word “Act” in Section C.5.11.1.2 refers to the Comprehensive Merit Personnel Act of 1978, as amended.

JJ. The phrase “of the treating physician” is added to the end of Section C.5.11.1.4.

SOLICITATION: DCAE-2004-R-0014

AMENDMENT: 0002

Page 5 of 6

KK. Section C.5.11.6 is revised to read as follows:

“Contractor shall document a missed appointment by a claimant, arrange a follow up appointment and contact the claimant by phone within one (1) business day of scheduling.”

LL. The word “be” is eliminated from Section C.5.12.1.

MM. Section C.5.12.1.3 is revised as follows:

“Hospital Medical Pre-Certification. Contractor shall request pre-certification for all surgical intervention and treatment;”

NN. Section C.5.12.1.4 is revised as follows:

“Fee bill audits. Contractor shall audit all in-hospital or out-patient bills or surgical procedures in excess of \$5,000;”

OO. Section C.5.12.6 is revised to read as follows:

“Contractor shall maintain a Utilization Review Program that has at a minimum the American Accreditation HealthCare Commission (URAC) certification.”

PP. The word “Accurately” is added to the beginning of Section C.5.15.1.1.

QQ. The phrase “every Tuesday of the preceding pay date” is added to the end of Section C.5.15.1.3.

RR. Section C.5.15.1.4 is revised to read as follows:

“Generate and issue checks each Friday to vendors and claimants; and all wage checks shall include itemization of deductions, gross and net pay detail in the check stub.”

SS. The following sentence is added to the end of Section C.5.18.1:

“Contractor shall diary and review all open files as the case dictates, but at a minimum every 30 days.”

TT. The word “or” is corrected to read “of” in Section C.5.18.5.

UU. The following subsections are added to Section C.5.18

C.5.18.6 Contractor shall obtain notarized income verification and continuing disability statements annually on all open cases where disability extends beyond one year.”

C.5.18.7 Contractor shall document in the file all efforts at placing employees in positions in the District Government with reduced capacity or light duty restrictions prior to seeking retraining or vocational rehabilitation.”

C.5.18.8 Contractor shall document in case file determination of appropriateness of rehabilitation and vocational service.

C.5.18.9 Contractor shall include all required executed District claim forms in all files.

C.5.18.10 Contractor shall include all applicable attachments on NODs 1 and 2.

C.5.18.11 Contractor shall send all AME medical reports to the treating physician within five (5) business days of receipt.

SOLICITATION: DCAE-2004-R-0014

AMENDMENT: 0002

Page 6 of 6

C.5.18.12 Contractor shall document on appropriate NOD all continuation of compensation of payment determinations. A copy of the NOD shall be faxed the same day as the date the NOD was issued to DCORM with all reasons for the decision to be included in the NOD. Contractor shall submit evidence that all NODs were sent via certified, first-class mail."

C.5.18.13 Contractor shall maintain a 95% upheld rate of determinations through all levels of appeal.

VV. The following sentences are added to the prefatory language in Section C.6:

"The District will use a random sample of case files to conduct the quarterly performance audits. The sample size will be two (2) percent of the open claims during the period being audited. The District will use the evaluation report similar to the one provided in Attachment J.10, which shows the performance measures and associated weights used to determine the Contractor's composite audit score."

WW. The table in Section C.6 is hereby replaced in its entirety. See Attachment 1 to this amendment.

XX. Section F.3 is moved to Section L and is renumbered to read L.4.4. Section F.4 is renumbered to read F.3.

YY. The phrase "plus any cost reimbursable expenses" is hereby deleted from Section G.4.

ZZ. The following sentence is added after the second sentence in Section H.6.1:

"A copy of the Contractor's QC Program shall be provided to the COTR within thirty days following contract award.

AAA. As a result of the revision above, the Contractor's QC Program is added to the list of deliverables in Section F.3.

BBB. The word "target" is deleted from the last sentence in Section H.10.5.

CCC. Section H.13 – Debarred Provider Restriction is added as follows:

H.13 DEBARRED PROVIDER RESTRICTION

Contractor certifies, by signing this contract, that the Contractor, its principals, subcontractors, and all providers or suppliers rendering medical services or supplies pursuant to this contract are not presently excluded from participation in Medicare and State health care programs by the United States Department of Health and Human Services. Furthermore, the Contractor certifies that no services or supplies rendered during the course of this contract shall be provided or supplied by any individual or entity that has been excluded in said manner.

DDD. The phrase "as Applicable" is deleted from Section J.7. All offerors must submit cost/price data in its price proposal.

EEE. Attachment J.8, Past Performance Evaluation Form is replaced in its entirety. See Attachment 2 of this amendment. The District will send this form to client references provided in the Offeror's proposal and those known to the District to determine the Offeror's relevant, successful past performance on similar contracts in accordance with Section M.3.1.3.1 or M.3.4.3.1.

FFF. The acceptance period stated in Section L.15 is changed from 90 days to 180 days.

GGG. Responses to Offeror's Questions are attached as Attachment 3.

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 1 – REVISED TABLE IN SECTION C.6

	PERFORMANCE MEASURES AND STANDARDS		
Performance Measure	Performance Standard	Acceptable Quality Level	Method of Surveillance
C.6.1 - Investigations	1. Case files created and assigned same day as received. (C.5.4.1)	95%	File Audit
	2. 3-Point 24 hour employee, employer and healthcare provider contact evidenced and documented on all lost time cases. Contact witness where applicable. (C.5.4.4)	95%	File Audit
	3. Compensability determination made within 21 days after claim is filed; or NOD notice issued within 21 days of initial case date. (C.5.5.1)	95%	File Audit
	4. Contact interested parties, statements obtained and file documented on all reopened claims within two business days of reopening of the claim file. (C.5.4.3)	95%	File Audit
C.6.2 - Payment of Claims	1. Benefits accurately calculated and documented on all files to include calculation workup and all related changes during the life of the claim. (C.5.15.1)	95%	File Audit
	2. All wage benefits will be processed and payment issued within 5 calendar days of benefits due after Continuation of Pay (COP) period ends. (C.5.5.3)	95%	File Audit
	3. Ongoing payments will be paid on a bi-weekly basis (or weekly basis, if a supplemental check is required) consistent with the DPM Instruction. (C.5.15.1.3)	95%	File Audit
	4. All wage checks will include itemization of deductions, gross and net pay detail in the check stub. (C.5.15.1.4)	95%	File Audit

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 1 – REVISED TABLE IN SECTION C.6

	PERFORMANCE MEASURES AND STANDARDS		
Performance Measure	Performance Standard	Acceptable Quality Level	Method of Surveillance
	5. DCORM Pre-fund procedures adhered to on all payment requests. (C.5.15.1.3) 6. Medical bills on compensable claims appropriately paid within 30 days of receipt. (C.5.15.1.5)	95% 95%	File Audit File Audit
C.6.3 - Nurse Case Management	1. Nurse Case Manager (NCM) to be assigned on all cases where lost time will exceed 2 weeks. (C.5.9.1) 2. The NCM will contact the employee and medical provider within 1 business day of assignment. (C.5.9.2) 3. NCM to be assigned on all cases where the injured worker does not return to work within estimated length of disability for the injury or illness sustained. (C.5.9.3) 4. NCM is to provide documented tracking of and action plan in the file notes for all cases on a monthly basis. (C.5.9.6)	95% 95% 95% 95%	File Audit File Audit File Audit File Audit
C.6.4 - Medical Management	1. Maintain and provide a listing of Preferred Provider Organization (PPO) to employees upon notification of injury or illness. (C.5.8.2) 2. Evaluation of the quality and appropriateness of the medical treatment plan is to be documented in the file. (C.5.8.7) 3. Verification of continuing, ongoing	95% 95% 95%	File Audit File Audit File Audit

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 1 – REVISED TABLE IN SECTION C.6

	PERFORMANCE MEASURES AND STANDARDS		
Performance Measure	Performance Standard	Acceptable Quality Level	Method of Surveillance
	disability with supporting medical reports documented in file. (C.5.8.8)		
C.6.5 - Utilization Review	1. In-hospital or Out patient Bill Audits to be conducted on all hospital bills or surgical procedures in excess of \$5,000.00. (C.5.12.1.4)	95%	File Audit
	2. Pre-certification of all requests for surgical intervention and treatment. (C.5.12.1.3)	95%	File Audit
C.6.6 - Diary/Plan of Action	1. Notification to claimant of adjuster assignment, claim number and contact information in writing. Notification shall be sent whenever there is a change of adjuster. (C.5.18.5)	95%	File Audit
	2. Obtain notarized income verification and continuing disability statement annually on all open cases where disability extends beyond one year. (C.5.18.6)	95%	File Audit
	3. All open files should be on diary and reviewed as the case dictates, but at a minimum every 30 days. (C.5.18.1)	95%	File Audit
	4. Documentation that all efforts at placement in the District government for employees with reduced capacity or light duty restrictions prior to seeking retraining or vocational rehabilitation. (C.5.18.7)	95%	File Audit
	5. Determination of the appropriateness of rehabilitation and vocational service documented in file. (C.5.18.8)	95%	File Audit

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 1 – REVISED TABLE IN SECTION C.6

	PERFORMANCE MEASURES AND STANDARDS		
Performance Measure	Performance Standard	Acceptable Quality Level	Method of Surveillance
C.6.7 - File Documentation	1. All required executed District claim forms to be included in file. (C.15.18.9)	95%	File Audit
	2. All attachments to be included on all Notices of Determinations (NODs) 1 & 2. (C.15.18.10)	95%	File Audit
	3. AME medical reports sent to treating physician within five (5) days of receipt. (C.15.18.11)	95%	File Audit
	4. All continuation of compensation payment determinations documented on appropriate NOD and; Copy of NOD faxed to District of Columbia Office of Risk Management (DCORM) the same day, with all reasons for decision to be included in the NOD and; Evidence of all NOD's sent via certified, first-class mail. (C.15.18.12)	95%	File Audit
	5. Appealed denials upheld through all levels. (C.15.18.13)	95%	File Audit

SOLICITATION: DCAE-2004-R-0014

AMENDMENT: 0002

ATTACHMENT 2

ATTACHMENT J.8 (Revised) - PAST PERFORMANCE EVALUATION FORM

(Check appropriate box)

Performance Elements	RATING (See Rating Guidelines on Page 2)					
	5 – Excellent	4 – Good	3 – Acceptable	2 – Minimally Acceptable	1 – Poor	0 – Unacceptable
Quality of Services/Work						
Timeliness of Performance						
Cost Control						
Business Relations						
Customer Satisfaction						

1. Name of Contractor being Evaluated: _____
2. Name & Title of Evaluator: _____
3. Signature of Evaluator: _____
4. Name of Evaluator's Organization: _____
5. Telephone Number of Evaluator: _____
6. Type of service received: _____
7. Contract Number, Amount and period of Performance _____
8. Remarks on Excellent Performance: Provide data supporting this observation. Continue on separate sheet if needed)

9. Remarks on unacceptable performance: Provide data supporting this observation. (Continue on separate sheet if needed)

SOLICITATION: DCAE-2004-R-0014**AMENDMENT: 0002****ATTACHMENT 2****RATING GUIDELINES**

Summarize Contractor performance in each of the rating areas. Assign each area a rating of 0 (Unacceptable), 1 (Poor), 2 (Acceptable), 3 (Good), 4(Excellent), or ++ (Plus). Use the following instructions a guidance in making these evaluations.

	Quality Product/Service	Cost Control	Timeless of Performance	Business Relations
	<ul style="list-style-type: none"> -Compliance with contract requirements -Accuracy of reports -Appropriateness of personnel -Technical excellence 	<ul style="list-style-type: none"> -Within budget (over/under target costs) -Current, accurate, and complete billings -Relationship of negated costs to actual -Cost efficiencies -Change order issue 	<ul style="list-style-type: none"> -Meet Interim milestones -Reliable -Responsive to technical directions -Completed on time, including wrap-up and contract administration -No liquidated damages assessed 	<ul style="list-style-type: none"> -Effective management -Businesslike correspondence -Responsive to contract requirements -Prompt notification of contract problems -Reasonable/cooperative -Flexible -Pro-active -effective contractor recommended solutions -Effective snail/small disadvantaged business Subcontracting program
0. Unacceptable	Nonconformances are comprises the achievement of contract requirements, despite use of Agency resources	Cost issues are comprising performance of contract requirements.	Delays are comprising the achievement of contract requirements, Despite use of Agency resources.	Response to inquiries, technical/ service/administrative issues is not effective and responsive.
1, Poor	Nonconformances require major Agency resources to ensure achievement of contract requirements.	Cost issues require major Agency resources to ensure achievement of contract requirements.	Delays require major Agency resources to ensure achievement of contract requirements.	response to inquiries, technical/ service/administrative issues is marginally effective and responsive.
2. Minimally Acceptable	Nonconformances require minor Agency resources to ensure achievement of contract requirements.	Costs issues require minor Agency resources to ensure achievement of contract requirements.	Delays require minor Agency resources to ensure achievement of contract requirements.	Responses to inquiries, technical/ service/administrative issues is somewhat effective and responsive.
3. Acceptable	Nonconformances do not impact achievement of contract requirements.	Cost issues do not impact achievement of contract requirements.	Delays do not impact achievement of contract requirements.	Responses to inquires, technical/ service/administrative issues is usually effective and responsive.
4. Good	There are no quality problems.	There are no cost issues.	There are not delays.	Responses to inquiries, technical/ service/administrative issues is effective and responsive,
5. Excellent	The contractor has demonstrated an exceptional performance level in some or all of the above categories.			

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 3 – RESPONSES TO OFFEROR’S QUESTIONS

Question #	RFP Section	Page #	Question	Response
GENERAL				
1			Would the District of Columbia allow its workers' compensation program to be administered outside of DC or if the claim administration needs to be done with the jurisdiction of DC?	The District's preference is to award to a vendor who can perform the services on-site as stated in Section M.1.3 of the solicitation. In this scenario, only the services described in sections C.5.9 through C.5.13 can be done off-site. All other services would be provided on-site. Services should be performed within the jurisdiction of DC.
2			The District has indicated a preference to select a vendor to provide the claims administration services on-site with utilization of the District's RMIS (RiskMaster). Will it also be a requirement for the vendor to utilize this system for the provision of ancillary services (i.e. 800 reporting, medical management, etc) or could these services be provided on the vendor system with any necessary downloads to the District's RMIS on a weekly basis? What modules are currently available with the District's RMIS?	<p>If the On-Site Option is selected, the Contractor shall be required to use the District's RMIS (Risk Master) for services performed on-site. If an offeror proposes to use its own system for off-site services, it should clearly indicate in its proposal if and how the offeror's system will provide the appropriate weekly downloads into the District's system.</p> <p>RiskMaster's modules are: General Claims, Workers Compensation, Vehicle Accident, Policy Management, Funds, Event Occurrence, Administrative Tracking, Vehicle Maintenance & People Maintenance.</p>

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 3 – RESPONSES TO OFFEROR'S QUESTIONS

Question #	RFP Section	Page #	Question	Response
3			According to Section C.1.2.1 of the RFP, there are seven (7) workstations available for claims administration staff and separate workspace for directly related support and supervisory staff. How many workstations and/or desks are available for staff directly related to this project?	The number provided is an estimate of the current space provided. Offerors should state in their proposal the proposed number of staff by labor category and location (on-site vs. off-site).
CURRENT OPERATIONS				
4			What is the name of the TPA currently managing the Disability Compensation Program?	The incumbent is the joint venture of Computer Literacy World and Creative Disability Management.
5			When does your current contract expire?	The current contract will expire on 10/20/04.
6			Is the current TPA managing the program on-site at DCORM or are they off-site?	No, the current TPA has an office in DC.
7			That is the current TPA's staffing model (how many adjusters, supervisors and support staff)?	Adjusters – 10 Supervisors – 4 Support Staff – 10
8			What are the current caseloads of each adjuster currently managing this program?	180-200 Claims per adjuster
9			Who is your excess carrier?	The District is self-funded.
10			What are the total open claims to date, indemnity and medical only? Do you have incurred amounts?	As of August 2004: Lost Time – 1,498 Med Only – 469

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 3 – RESPONSES TO OFFEROR’S QUESTIONS

Question #	RFP Section	Page #	Question	Response
11			Please confirm the current number of open medical only vs. lost time cases (subject to take-over). Page 2, Item B.1.1 references the current caseload of approximately 1,800 cases and Page 18; Item C.4.3 refers to approximately 1,000 bi-weekly payroll cases.	See response to Question # 10 above.
12	B.1.1	2	The solicitation indicates that the DCP “covers” approximately 5,020 Uniformed Police, Firefighters and Emergency Medical Services personnel. Please advise if the current caseload indicated and FY2003 claims reported (page 18) are inclusive of Uniformed Police, Firefighters and EMS personnel. If not, please confirm if response to RFP should be inclusive of current program participants only.	See response to Questions #10 above. Offeror’s proposal should be based on the current program participants only.
13			How is the current TPA contract price constructed, (a) charge per type of claim, or (b) flat annual fee (cost-plus model)?	Flat annual fee.
14			What is the current annual contract amount for claims and nurse case management services?	The current is paid an annual fee of \$4,092,702
15			Does the DCORM have a formal Return To Work program established?	A formal Return to Work program is being developed.

SOLICITATION: DCAE-2004-R-0014**AMENDMENT: 0002****ATTACHMENT 3 – RESPONSES TO OFFEROR'S QUESTIONS**

Question #	RFP Section	Page #	Question	Response
16			Are the major job descriptions available in electronic or hard-copy form in order to place them in a job-bank for distribution to medical providers to address RTW issues?	By the end of November, the job descriptions will be available electronically as a result of the new HR system being implemented.
17			Does DCORM have an established First Report of Injury (FRI) system in place? If no FRI system is in place, will DCORM consider having the successful Contractor offer one with related dedicated staff and related expenses?	The current contractor has an established 1-800 number for FROI. The new contractor will have to establish a FROI.
PRICING				
18	B		The On-Site/Off-Site Price Schedules do not include a detailed pricing request for typical allocated file expense fees (including medical management services, etc), at it appears that the pricing model should include all services outlined in Sections C.5.3. through C.6. Please confirm.	The cost of adjudicating claims should include file expense/management. Please include that in your bid.
19	B		Is DCORM interested in receiving alternative pricing models other than described in Section B.2.1 through B.2.8?	Offerors must submit pricing in the format listed in Section B of the solicitation. Alternate pricing models should be clearly identified as such. If an alternate pricing model is accepted by the District, an amendment to the solicitation will be issued to request all offerors submit a proposal based on the alternate pricing model.

SOLICITATION: DCAE-2004-R-0014**AMENDMENT: 0002****ATTACHMENT 3 – RESPONSES TO OFFEROR'S QUESTIONS**

Question #	RFP Section	Page #	Question	Response
20	B		Outside of the dedicated staff and the fees associated with that staff, additional fees, often called Allocated Expenses, are on a per-fee basis (medical bill review, PPO network discounts, etc.). How would the DCORM like for these Allocated Expenses be addressed in the proposals?	Offeror's proposed price should include all fees associated with providing the services outlined in the solicitation. See also #19 above.
OPERATIONS REQUIREMENTS				
21	C		What does DCORM expect the caseloads of (a) Lost time/Indemnity adjuster, and (b) medical only adjuster to be?	150/adjuster
22	C		Of the current open indemnity (i.e. bi-weekly payroll) cases, does DCORM anticipate that a majority of these cases will require assignment to Nurse Case Management?	Initially a large majority of the cases will require Nurse Case Management.
23	C		If DCORM chooses an on-site program, is it mandatory that the on-site staff utilize the Risk Master software for claims administration activities?	Yes.
24	C		If DCROM chooses an on-site program, would DCORM entertain allowing the successful TPA to utilize its own system hardware with the necessary data and financial links to the Risk Master system?	See response to Question #2 above.

SOLICITATION: DCAE-2004-R-0014**AMENDMENT: 0002****ATTACHMENT 3 – RESPONSES TO OFFEROR'S QUESTIONS**

Question #	RFP Section	Page #	Question	Response
25	C		If DCORM chooses an off-site program, are there any restrictions on where the off-site location is (i.e. within certain mile range, in certain state, etc)?	It is a requirement that the contractor have an office in the District of Columbia.
26	C.5.9	23	Under Section C.5.9, a Nurse Case Manager should be assigned for cases that have or are anticipated to have at least two weeks of lost time. In our experience, the initial two to three weeks of disability is critical in assuring that the injured employee is provided the appropriate care and that the proper diagnosis is determined. Would the DCORM consider an Early Intervention Program where all claims, whether or not Lost Time was to exceed two weeks?	Yes
27	C.3.17	15	Litigation Support: Please indicate if the DCORM currently utilizes internal (OAG) or external counsel for the Program and if any changes are anticipated for litigation support.	DCORM utilizes the services of OAG. We do not anticipate using any outside counsel.
28	C.3.17	15	Regarding Litigation Management – does the OAG handle all litigated issues, i.e. hearings, trials, etc. or does the DCORM have a preferred panel of law firms available?	Currently OAG handles all litigated issues for the District.
PERFORMANCE MEASURES/LIQUIDATED DAMAGES				

SOLICITATION: DCAE-2004-R-0014
AMENDMENT: 0002
ATTACHMENT 3 – RESPONSES TO OFFEROR'S QUESTIONS

Question #	RFP Section	Page #	Question	Response
29	C.6	30-35	Regarding the Incentives/Disincentives – understanding that a retrospective audit is conducted at the conclusion of each quarter. Can we assume that a file(s) selected during a quarterly audit would not be selected in any future audit?	No, all files are to be available for review at any time by DCORM.